



**STATE OF TENNESSEE  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
DIVISION OF MENTAL RETARDATION SERVICES  
ANDREW JACKSON BUILDING, 15TH FLOOR  
500 DEADERICK STREET  
NASHVILLE, TN 37243**

**TITLE:** Reporting Fraud, Waste, and Abuse of Government Funds and Property  
**POLICY #:** P - 011

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- A. PURPOSE:** The purpose of this policy is to provide guidelines for compliance with those sections of the Deficit Reduction Act (DRA) of 2005 specific to the establishment of resources to address Medicaid fraud, waste, and abuse.
- B. APPLICABILITY:** This policy applies to:
1. Staff of the Arlington, Clover Bottom, and Greene Valley Developmental Centers operated by the Division of Mental Retardation Services (DMRS) and to volunteers, contractors, and others who provide services or supports through the developmental centers; and
  2. DMRS regional and central office staff, volunteers, and others that provide services or supports through funding or contract.
- C. DEFINITIONS:** N/A
- D. DESCRIPTION OF POLICY**
1. The Deficit Reduction Act of 2005 included two sections related to false claims:
    - a. Section 6031 of the Act provides a financial incentive for states to enact false claims acts that establish liability to the state for the submission of false or fraudulent claims to the state's Medicaid program. If a state implements its own false claims act which is determined to meet certain federal requirements, the state is entitled to an increase of 10 percentage points in its share of any amounts recovered under a state action brought under such law.

Tennessee has passed state laws in support of the Deficit Reduction Act of 2005. Tennessee Code Annotated 4-18-101 through 4-18-106 is a state law designed to help state government and political subdivisions combat fraud and recover losses resulting from fraud in programs, purchases, or contracts. Tennessee Code Annotated 71-5-181 through 71-5-184 applies solely to false claims under the Medicaid program.
    - b. Section 6032 of the Act requires large health care organizations (receiving five million dollars or more in annual Medicaid reimbursement) to inform employees about certain fraud and abuse laws and about the whistleblower provisions in those laws.

2. **Prevention and Detection: DMRS shall:**

- a. Provide staff, volunteers, and contractors with information about the responsibility for reporting wasteful, inefficient, or fraudulent activity associated with the misuse of government funds and property and how to report suspected misconduct or questionable practices involving fraud, waste, or abuse of government funds or property;
- b. Prominently display signs in the DMRS central and regional offices and developmental centers which inform staff, volunteers, and contractors how to report wasteful, inefficient, or fraudulent activity involving government funds and property through the toll-free hotline (1-800-232-5454) established by the Tennessee Comptroller of the Treasury, Department of Audit, or through the DMRS Director of Internal Audit;
- c. Make copies of federal and state laws available in the DMRS central and regional offices for staff, volunteers, and contractors to review upon request; and
- d. Routinely include information on how to report fraud, waste or abuse of government funds and property in DMRS newsletters.

2. **Cooperation with investigations: DMRS shall:**

- a. Ensure that staff, volunteers, and contractors fully participate and cooperate with any investigation into suspected misconduct or questionable practices involving fraud, waste, or abuse of government funds or property and shall make records available for inspection and duplication in accordance with state and federal laws and DMRS policy and procedures; and
- b. Support the full prosecution of involved individuals when there is an indication of false claims being made to any agency or if misconduct is uncovered involving fraud, waste, or abuse of government funds or property.

3. **Prohibition of retaliation:** In accordance with the federal and state False Claims Act of 2005, DMRS shall prohibit retaliation against staff, volunteers, and contractor staff who report information about suspected misconduct or questionable practices involving fraud, waste, or abuse of government funds or property.

4. **Notification:** DMRS shall ensure that all contractors receiving \$5,000,000 or more in annual Medicaid reimbursement are notified of the requirement:

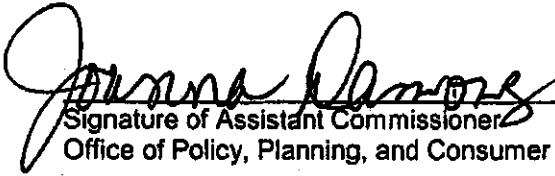
- a. To adopt written policies about the False Claims Act and Tennessee's comparable anti-fraud statutes, including whistleblower provisions;
- b. To inform staff about the fraud and abuse laws and about the whistleblower provisions in those laws, including such information in the provider's employee handbook where applicable; and
- c. To submit their written policies about the fraud and abuse laws and about the whistleblower provisions in those laws to TennCare for review.

E. **ATTACHMENTS:** Not applicable

F. **PREVIOUS POLICY:** Not applicable

G. **DATE APPROVED BY TENNCARE:** November 28, 2007

H. POLICY APPROVAL

  
Signature of Assistant Commissioner  
Office of Policy, Planning, and Consumer Services

2/5/08  
Date

  
Signature of Deputy Commissioner  
Division of Mental Retardation Services

2/5/08  
Date